

STATE OF NEW HAMPSHIRE
Division of Economic Development, Department of Resources and Economic Development
AUDIT FINDING Corrective Action Plan
Status as of December 15, 2015

Completion Status:
Open •
Partial ••
Substantial •••
Full ••••

#	Observation Title	Recommendation	Action Item	Due date	Completion Status	Comments
1	Develop a comprehensive economic development program plan	Establish an economic development program plan which defines the roles of each program, is consistent with the State development plan, and incorporates the input of stakeholders and policy makers.	Support HB 1416, which clearly outlines the elements to be included in the division's strategic plan.	N/A	••••	Legislation passed and signed into law.
			Engage stakeholders in the division's strategic planning process.	Ongoing	••••	Economic Development Advisory Council (EDAC) meets on a quarterly basis to provide input into the division's planning process.
			Create a strategic plan that drives program development and budgeting.	12/15	••••	The first version of our strategic plan is complete as of 12/2/15.
2	Implement a performance measurement system to evaluate division activities	<ul style="list-style-type: none"> •Establish goals linked to the division's mission. •Establish performance measures, with corresponding benchmarks, to track and determine whether the division is achieving the desired level of performance. •Establish policies and procedures for regularly measuring division performance against benchmarks and evaluating the effectiveness of its programs. 	Incorporate specific goals into the division's strategic plan.	12/15	••••	Four goals and 11 key industries are included in the strategic plan.
			Research best practices in performance measurement by other state economic development agencies	12/14	••••	Detailed performance metrics were developed for each program and included in the strategic plan.
			Select performance metrics that the division will use in its first strategic plan.	9/15	••••	Completed. See comment above.
			Identify resources needed to better evaluate division programs on an ongoing basis and build into FY 16-17 budget request.	10/14	••••	Resource needs were identified via survey of economic development organizations around the state and included in FY 16-17 budget.
3	Improve data collection to facilitate	•Consider (again) one database system or an improved system	Modify the division's client relationship management	8/14	••••	The division has received approval to expend money from dedicated funds

STATE OF NEW HAMPSHIRE
Division of Economic Development, Department of Resources and Economic Development
AUDIT FINDING Corrective Action Plan
Status as of December 15, 2015

Completion Status:
Open •
Partial ••
Substantial •••
Full ••••

#	Observation Title	Recommendation	Action Item	Due date	Completion Status	Comments
	communication and a division wide management system	of information sharing to facilitate tracking activities across all programs. •Develop user policies and procedures for consistent, reliable, and complete data collection.	(CRM) software to better track activities for business recruitment, business retention, and international trade teams. Create user guides to CRM for staff. Determine if business recruitment, business retention, and international trade teams' needs can be met with Neoserra, the CRM used by the division's Procurement Technical Assistance Program. Add funding for CRM upgrades and improvements in FY 16-17 budget request.			for a new customer relationship management database. The proposed 16/17 budget reflects the need to maintain the new CRM. Complete. It has been determined that Neoserra will meet the needs of the other program. Funds have been approved for purchase. Contract is being drafted. Goal to procure new system before 6/30/16. Maintenance funding was included in the 16/17 budget.
4	Develop an information technology plan and improve controls	•Assess areas of risk and develop a data management and information technology plan •Strengthen general IT controls. •Develop and implement a plan to enter data gathered during the outage into the CRM.	Discuss the division's IT needs with DoIT and incorporate them into DoIT's strategic plan. Establish policies for CRM administration and usage. Enter data gathered during CRM outage.	9/14 12/14 12/14	••• •••• ••••	The needs have been discussed and will be incorporated in to the DoIT planning process. Policies have been created for the CRM. Staff has entered data collected during any down time.
5	Improve management over tax credit programs	•Develop Administrative Rules for regulations, standards, or forms relative to the Economic Revitalization Zones (ERZ) and Coos County Job Creation (CCJC) tax credit programs.	Establish administrative rules for ERZ Establish administrative rules for CCJC Review and update all tax credit forms and marketing materials	5/16 6/16 6/15	••• • •••	Rules are underway. Initial proposal will be submitted in 1/16. Rules required for CCJC application form in addition to instructions Stakeholder input solicited. Tax credit forms updated. FAQs updated. Website (www.nheconomy.com)

STATE OF NEW HAMPSHIRE
Division of Economic Development, Department of Resources and Economic Development
AUDIT FINDING Corrective Action Plan
Status as of December 15, 2015

Completion Status:
Open •
Partial ••
Substantial •••
Full ••••

#	Observation Title	Recommendation	Action Item	Due date	Completion Status	Comments
		•Develop and implement policies and procedures to ensure adequate controls over: calculating and awarding tax credits, consistently applying the same criteria to all businesses, supervisory reviews, and obtaining supporting documentation from businesses for information used to calculate tax credit awards.				updated with an ERZ page.
			Establish supervisory oversight of tax credit programs	6/14	••••	Deputy Director has oversight responsibilities
			Develop internal policies and procedures for administering ERZ and CCJC tax credit programs.	9/15	•••	Policies created with checks and balances. ERZ process complete. Additional revisions anticipated during rules process.
6	Evaluate the effectiveness of tax credit programs on job creation and the economy	DRED regularly evaluate the effectiveness of the ERZ, CCJC, and R&D tax credit programs as required by statute to determine whether they have the intended effects on job creation and economic growth. We also recommend the DRED determine whether improvements are needed to these tax credit programs to better support the State's economy and create new jobs, and make recommendations to the Legislature accordingly.	Introduce legislative clarifications and improvements in the 2015 session.	1/15	••••	Completed
			Assess resources required for evaluation of all tax credit programs and incorporate into agency budget request.	10/14	••••	Completed
7	Improve administration of, and controls over, the job training grant program	•Develop and implement performance measures for the JTG program as required by statute. •Ensure the Job Training Grant	Determine if current performance metrics should be modified and clearly articulate what metrics are used by the program.	8/15	••••	Current metrics have been reviewed by committee for purpose of rule revisions.
			Provide regular training to the	1/15	••••	Membership and quorum issues have

STATE OF NEW HAMPSHIRE
Division of Economic Development, Department of Resources and Economic Development
AUDIT FINDING Corrective Action Plan
 Status as of December 15, 2015

Completion Status:
 Open •
 Partial ••
 Substantial •••
 Full ••••

#	Observation Title	Recommendation	Action Item	Due date	Completion Status	Comments
		Review Committee adheres to laws and rules.	committee to ensure they adhere to laws and rules.			been addressed. Training completed and ongoing. Participated in a Lean exercise to review all processes.
		•Clarify JTG scoring criteria.	Clarify scoring criteria.	8/15	••••	New criteria proposed for upcoming rule revisions.
		•Determine how to best target the JTG to the State's business community, particularly small businesses as the law intended.	Review marketing of program.	8/14	••••	Agency has reviewed and maintains that marketing is appropriate and effective.